
SENATE BILL No. 325

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3-4-4.1.

Synopsis: Estimated tax payments. Eliminates the requirement to make estimated adjusted gross income tax payments in the case of an individual who is at least 65 years of age on the final day of the individual's taxable year.

Effective: January 1, 2006 (retroactive).

Paul

January 10, 2006, read first time and referred to Committee on Tax and Fiscal Policy.

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Introduced

Second Regular Session 114th General Assembly (2006)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2005 Regular Session of the General Assembly.

SENATE BILL No. 325

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-3-4-4.1 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]:
3 Sec. 4.1. (a) This section applies to taxable years beginning after
4 December 31, 1993.

5 (b) **This subsection applies only to an individual less than sixty**
6 **five (65) years of age on the final day of the individual's taxable**
7 **year.** Any individual required by the Internal Revenue Code to file
8 estimated tax returns and to make payments on account of such
9 estimated tax shall file estimated tax returns and make payments of the
10 tax imposed by this article to the department at the time or times and
11 in the installments as provided by Section 6654 of the Internal Revenue
12 Code. However, in applying Section 6654 of the Internal Revenue Code
13 for the purposes of this article, "estimated tax" means the amount
14 which the individual estimates as the amount of the adjusted gross
15 income tax imposed by this article for the taxable year, minus the
16 amount which the individual estimates as the sum of any credits against
17 the tax provided by IC 6-3-3.

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(c) **This subsection applies only to an individual less than sixty five (65) years of age on the final day of the individual's taxable year.** Every individual who has adjusted gross income subject to the tax imposed by this article and from which tax is not withheld under the requirements of section 8 of this chapter shall make a declaration of estimated tax for the taxable year. However, no such declaration shall be required if the estimated tax can reasonably be expected to be less than four hundred dollars (\$400). In the case of an underpayment of the estimated tax as provided in Section 6654 of the Internal Revenue Code, there shall be added to the tax a penalty in an amount prescribed by IC 6-8.1-10-2.1(b).

(d) Every corporation subject to the adjusted gross income tax liability imposed by this article shall be required to report and pay an estimated tax equal to twenty-five percent (25%) of such corporation's estimated adjusted gross income tax liability for the taxable year. A taxpayer who uses a taxable year that ends on December 31 shall file the taxpayer's estimated adjusted gross income tax returns and pay the tax to the department on or before April 20, June 20, September 20, and December 20 of the taxable year. If a taxpayer uses a taxable year that does not end on December 31, the due dates for filing estimated adjusted gross income tax returns and paying the tax are on or before the twentieth day of the fourth, sixth, ninth, and twelfth months of the taxpayer's taxable year. The department shall prescribe the manner and forms for such reporting and payment.

(e) The penalty prescribed by IC 6-8.1-10-2.1(b) shall be assessed by the department on corporations failing to make payments as required in subsection (d) or (g). However, no penalty shall be assessed as to any estimated payments of adjusted gross income tax which equal or exceed:

(1) twenty percent (20%) of the final tax liability for such taxable year; or

(2) twenty-five percent (25%) of the final tax liability for the taxpayer's previous taxable year.

In addition, the penalty as to any underpayment of tax on an estimated return shall only be assessed on the difference between the actual amount paid by the corporation on such estimated return and twenty-five percent (25%) of the corporation's final adjusted gross income tax liability for such taxable year.

(f) The provisions of subsection (d) requiring the reporting and estimated payment of adjusted gross income tax shall be applicable only to corporations having an adjusted gross income tax liability which, after application of the credit allowed by IC 6-3-3-2 (repealed),

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1 shall exceed one thousand dollars (\$1,000) for its taxable year.

2 (g) If the department determines that a corporation's:

3 (1) estimated quarterly adjusted gross income tax liability for the
4 current year; or

5 (2) average estimated quarterly adjusted gross income tax liability
6 for the preceding year;

7 exceeds, before January 1, 1998, twenty thousand dollars (\$20,000),
8 and, after December 31, 1997, ten thousand dollars (\$10,000), after the
9 credit allowed by IC 6-3-3-2 (repealed), the corporation shall pay the
10 estimated adjusted gross income taxes due by electronic funds transfer
11 (as defined in IC 4-8.1-2-7) or by delivering in person or overnight by
12 courier a payment by cashier's check, certified check, or money order
13 to the department. The transfer or payment shall be made on or before
14 the date the tax is due.

15 (h) If a corporation's adjusted gross income tax payment is made by
16 electronic funds transfer, the corporation is not required to file an
17 estimated adjusted gross income tax return.

18 **SECTION 2. An emergency is declared for this act.**

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